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April 24, 2017

VIA HAND DELIVERY

Melanie M. Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building
9th Floor
502 Deaderick Street
Nashville TN 37243

Re: Saint Francis Hospital-Bartlett - Shelby County, TN
CN1701-004

Dear Melanie:

Enclosed please find three copies of the Work Session FSED Transcript for St. Francis Hospital Bartlett and Baptist Hospital Memphis. Please let me know if you have any questions.

Sincerely,

Kim Harvey Looney

KHL:lag
Enclosures

Work Session Presentations to Arlington, TN, Board of Aldermen and Mayor regarding the need for a Free Standing Emergency Department by (1) Baptist Hospital - Memphis and (2) St. Francis-Bartlett

April ___, 2017

[The numbers in brackets are time markers from the recording from which this transcription was made.]

The speakers are not identified consistently throughout the meeting, and there is occasional overlap of multiple persons speaking at once.

Partial List of Names:

Arlington Mayor Mike Wissman
Alderman 1 Larry Harmon, Jr.
Alderman 2 Hugh Lamar
Alderman 3 Jeff McKee
Alderman 4 Oscar Brooks
Alderman 5 Vice mayor Harry McKee
Alderman 6 Brian Thompson
Ms. Durant, staff person

Baptist-Memphis Hospital:

Rev. Keith Norman, VP of Government Relations
Zach Chandler, Executive VP and Chief Strategy Officer
Gregory Duckett, Senior VP and Chief Legal Officer
Arthur Maples, Attorney for Baptist Memorial Hospital

Regional One Health:

Dr. Reginald Coopwood, President and CEO
Monica Wharton (introduced, but doesn't speak), Senior VP and Chief Legal Officer

St. Francis Bartlett Hospital

Chris Locke, CEO
Samuel Pieh, COO
Will Lowes, Director of Business Development
Dale Criner, M.D.
Joe Baugh

	[00:01:09.1]
Moderator:	Good evening, everyone. We appreciate everyone being here, so everybody's aware this is a Work Session. We will not be voting on anything tonight. I expect we have _____ presentation, a Q&A, _____ St Francis, either or, out of respect for the other one, so let's not try to complicate each other ... So, I'm actually going to turn this over to _____ we'll turn it over to you, let you present, and then....
Keith Norman:	Well thank you. We've been told that a storm is on the way and it should be here in 2.5 hours, so we'll only be about 2 hours and 15 minutes and we'll leave. Thank you so much, Mayor, and to the Aldermen who are here. <u>Ms. Durant</u> , our manager, also to our attorney, <u>Mr. Lawson</u> , several members of our team are also here. I'd like to introduce them, the CEO of Regional One Health, <u>Dr. Coopwood</u> . The attorney, senior vice president, <u>Monica Wharton</u> . Our Executive Vice President, <u>Zach Chandler</u> , who will also be presenting. We also want to present <u>Greg Duckett</u> our Senior Vice President and Chief Legal Counsel, as well as <u>Art Maples</u> as a part of our team. And so we thank you on behalf of CEO, <u>Jason Little</u> , who couldn't be tonight, for convening this special Work Session so that you could hear a little bit about what we hope to present to the town of Arlington, and win your approval for, eventually, the support that we'll need when we go to Nashville. What we would simply ask is that you would take consideration of the presentation that we are about to make and ask any questions you desire, and hopefully, achieve a resolution in our support in your April meeting before we go to Nashville, because we believe that it's very important to have the Mayor on board, the Aldermen on board, so that when we go to Nashville, we can say that you are fully behind the project that we are presenting, that we will believe will be good for the Town of Arlington as well as for the future of Baptist. So I would like to introduce my colleague, <u>Zach Chandler</u> . He's our EVP. He's going to come and share with you the plans. And please feel free to ask whatever questions you desire as we present, or at the end of the presentation. [00:03:39.1]
Zach Chandler:	I just wish I had a voice. I don't think...
Keith Norman :	And my good looks!
Zach Chandler:	And your good looks! It's always tough presenting after him. But anyhow, my name is Zach Chandler, EVP with Baptist, and I've been part of the Baptist system since 1997. I'm proud to call Memphis our home, and this whole area, my kids and family, and this is a project that is kind of special to me, just because I think about the early years when I joined Baptist in 1997, and having discussions about Arlington and what was going to be growing out this direction. And so, it's special to me to get to be able to speak with you tonight and share with you our plans. And really, as Keith mentioned, we want you to

	ask questions as we go along. I want this to be, we're going to have some presentation, but I want it to be discussion. I want you to leave here tonight with your questions answered. And I feel like we get to get to know one another throughout the process of this. And just make it more familiar with what's been in our heads. But, I will say that we're presenting this tonight, also sharing, really eager to hear what's in your mind and what your thoughts are. I come from a family that's been involved with the development business in Dallas/Ft. Worth, and one of the things that I've learned through the years, many years of it, is that the City and the Developers working hand in hand together really makes a huge difference. You get kind of almost a one chance of making a city or a town really lay out right. And when you see the population change that has happened in Arlington, we want to do this right. And so it's a privilege and honor and to share with you, and we really want your feedback in this process.
Zach Chandler:	Well, to begin with, what I want to step through tonight is just a quick introduction. I hope folks know Baptist, as a health system, but if you don't, a few points about Baptist. Kind of our journey of how we got here today. It's been a long journey, a patient journey, but that is something that is very often done with Baptist, is planning way, way, way out into the future, 20 and 30 years out into the future. And then talking about our plan for growth, what we see, but we're very eager to hear what your thoughts are as we develop health care facilities on this particular site in Arlington, Tennessee. So, if you will, we join stepping through a history of Baptist, if I can get the clicker to work. [00:06:06.1]
Zach Chandler:	Well, many of you may recall the early days, not this building, it was on the site of what was once Baptist Medical Center. But Baptist as a hospital began back in 1912. A 150 bed hospital, a group of citizens got together. You remember that one, of course. A group of citizens got together and said, "We need healthcare." And so they raised the funds personally to build the first hospital. That hospital grew to become the medical center. That Medical Center Hospital was one of the largest hospitals, not only just in this nation, but in the entire world. Almost 2,000 beds in that hospital, incredible. That is unheard of today. To this day, it is still unheard of. But what we saw through the years as that hospital grew and developed, is we saw that hospital multiplied. It kind of got grafted out. And what happened is you saw the people move. As Memphis grew, went out further and further out, so did the housetops and the rooftops and the kids and the families. And one of the things we learned through the many, many years, is healthcare, while it is at times a big business, it is really local. It is healthcare delivered close to home is the best. And so, how do you really start to integrate healthcare as part of people's community, part of their daily life out there? And so, what you saw was Baptist really start to develop as a system going out where communities were growing. And saw that downtown medical center as the population shifted out, we spread. And that hospital broke apart in bits and pieces. And saw the physicians and so forth move with the people over time.

Zach Chandler:	<p>Today, our health system is about 18 hospitals. You see it scattered out across Tennessee, Mississippi and Arkansas. You see a health system today. 18 hospitals really, across three states. We're about 15,000 to 16,000 employees now. About \$2 billion as an organization, over 3,500 physicians. We have the largest medical group in the Memphis MSA. In fact we employ today over 500 physicians. Our College of Health Sciences has about 1,100 students in that College, continuing to grow the College, and very proud of that College. We have home health services, hospice services, home infusion services, specialty infusion pharmacy services, ambulatory surgery centers. It literally covers the gamut. Rehab hospitals, behavioral health hospitals. It's not just a single acute care hospital, it's really all of the healthcare services that we feel like need to be provided and can provide. Including pediatrics. It was about two years ago that we opened up our first pediatric hospital. And that is just growing and growing and growing exponentially right now. We're very proud of it. [00:09:07.2]</p>
Zach Chandler:	<p>But today, I guess what I want to bring that thought to, of just some points about Baptist is, it's really that message of we have been different than most health systems around the country. And if you're not in healthcare, you may not recognize this, but most health systems around the country have gone out and built really what they call a <u>hub-and spoke model</u>. In other words, going out and putting really small ones out there, but completely, the desire is just to feed, feed, feed the main hospital.</p>
Zach Chandler:	<p>We've not done that. What we have experienced through the years is that we have gone out into DeSoto County. It was country roads all the way around there. But today, seeing a major, major medical center there, have we invested in those communities? You saw economic growth happen. You saw the towns grow. You saw the community grow, the schools grow, etc. And as we go out, whether it's DeSoto, whether it's Collierville, whether it's Oxford, whether it's (Golden?) Triangle, whether it's Jonesboro, Arkansas. What we have seen time and time and time again is as we have invested in those communities, you've seen the community grow and you've seen health care services grow and grow and grow. And our desire has always been to deliver as much healthcare services as that community can support. In other words they kind of go hand in glove together. We want to have those healthcare services, as many as we can, right there close to home. [00:10:30.5]</p>
Zach Chandler:	<p>And we think about Arlington, Tennessee, and kind of our journey, I mentioned at the beginning of my presentation back in 1997 joining the system, but it was just very shortly thereafter, that we started looking out this direction, and contemplating, just as Memphis grows going out that I-40 corridor, you could one day see what was going to take place out here. And, I'm proud of the folks that were involved in those years of having the foresight when Baptist-Memphis, or "Baptist-East" as it used to be known, was purchased back in the seventies, you hear a lot of stories and even video of the</p>

	<p>people saying, “What in the world are they building, buying all that property out there? There’s nothing ever going to be out there.” Well, you can see what it looks like today. It has grown tremendously. That’s about a 25-acre campus that we have there in Memphis. Well, it has grown and grown and grown.</p>
Zach Chandler:	<p>And what you end up seeing is we came out and in 2006, actually, we acquired the land that’s right there on the corner of I-40 and Airline Road. And really, bought that land very intentionally because of the access on the highway. Because of what Arlington was going to be the place to be. You could see it growth-wise, one day the development of 385, of course back in those years it wasn’t built. It wasn’t moving across there. It took me a lot longer to get up this direction to visit folks, but today you see all that punch through and we’re seeing growth again, just exponential growth.</p>
Zach Chandler:	<p>Well, we acquired about 85 acres of land there at that corner. And in the meantime, we had a lot of questions, ok? As soon as we bought it, everybody was ready for us to build. And I get that. I completely get that. That makes absolute sense. I think folks want healthcare services right there. But, we had to wait as the community would grow to get the point where we could really support it. And so, as we looked over time, you guys know these numbers backwards and forwards. You’ve probably seen them in a lot of presentations, I would imagine. But I think about going back to that time period, you know. Arlington there in 2000, 2,569 people in the community. It’s changed a lot, and really fast, really quickly.</p>
Zach Chandler:	<p>And so the point being is that it has finally hit that point in time. We’ve been watching it, we’ve been watching it, we’ve been watching it, you could see it coming, you could see it coming, we started studying. I applaud you as a town as coming together and thinking, seeing, what is going to happen. What kind of town did you want have developed here? And you started writing criteria, and codes and so forth and plays to say how do we make sure that we build this town and it develops in a way it needs to be that supports a great life style, that supports the property prices in the area, etc. But hopefully, I would think, that a lot of folks also enjoy getting away and having space to be out, and having families outside, etc. So as you see that plan develop, we have continued to watch and we saw growth there of the roadways and your plans, we were watching those. Clearly, with the properties just around us involved, we committed about \$250,000, back during the construction of Milton and Wilson Road and the installation of the stop light there back in 2009 that Baptist committed. And paid about \$50,000 in professional and sewer services, and 2012 as this roadway work was being done. But we knew that that day was going to be just around the corner.</p>
Zach Chandler:	<p>And so in 2013, you can see the numbers were really getting there. And to be able to support the first big investment of healthcare services in this community. And so as we look at that property, one of the key factors I would</p>

	<p>say, that's really tipping things, and if part of it is having houses, part of it is having retail and commercial development, too, and businesses out in the community. It's interesting to look at how many people are here in the daytime, or nighttime, and weekends versus how many are here in the daytime on jobs when people are working. And so having enough people in the daytime, when you have to have that, in order to really support the businesses. But they kind of go hand in hand. You can't just build rooftops and then no businesses. You've got to have both. They vacillate back and forth, is what I typically have always seen. So we see that growth occurring. We have seen a lot of interest since that Kroger store was announced, and approved to be built and developed. It has really caught the attention numbers-wise. There is a reason Kroger committed to do that. They saw the numbers and the demographics of what was happening. It's really caught the interest of a lot of folks. We've had a lot of calls of folks interested and wondering what we're going to do with the property. Are you going to use all of it for healthcare purposes, etc?</p>
Zach Chandler:	<p>Well, I want to share some of our thoughts and plans as we look at developing this property. The first phase that we would like to commit to, and that's what we're going to the State for on April 26, is to have a Certificate of Need hearing. And <u>Reverend Northern</u> mentioned to you all that we need your support. I ask for your support. This, being a healthcare investment, the State regulates that. We have to have a CON, a Certificate of Need approval to be able to build and develop healthcare services here. Our whole desire as Baptist from day one that we probably even buying the property in the first place, we envisioned one day that there is going to be a hospital out there. You are going to have a full service hospital here one day. But what we feel like, timing-wise, is healthcare has changed even since just 2003. My goodness, today, I think about, Dr. Coopwood, I think about how many surgeries and so forth are done outpatient-wise, versus inpatient. I can tell you just about five years ago, for Baptist, about 65% of our revenue was inpatient. In five years' time, it's now 65% outpatient.</p>
Zach Chandler:	<p>And I think about, my goodness, <u>replacing heart valves</u>. You think about having a valve replaced in your heart, it still amazes me. And it used to be you crack open the chest, go in there and replace the valve, and the person's in the hospital ten, eleven, twelve days. Now, just being able to run a catheter in a cath lab and replace the valve in the heart and never even have to crack the chest open. You have them there monitoring, you're done with surgery or that procedure in just a matter of hours, technically. You could probably go home in a day. You wouldn't do that because you want to watch, and make sure everything is exactly right. But you see in heart valves where the person is going home in four and five days, instead of ten or twelve days. It's just hips and knee replacements, if you know anybody that's having it done, they're changing from having it in the hospital to now being done in a surgery center. Things that we just couldn't imagine. Being able to support a 2,000-bed hospital in downtown Memphis, you can't that today. People were in the</p>

	hospital 10, 15, and 20 days. Now they are there for a matter of hours at a time. It has just changed.
Zach Chandler:	The good news of that, I can say, and I think some of you even have healthcare experience in this room, is, the person gets better faster. It's less trauma, less time, and they get better faster. And that's the neat part of the technology side of it all. I'm proud to see a Microport when you come in, and we've got a great relationship with them in this community and been long-term supporters there and happy to see their growth. They haven't been around too long here, but anyhow, it's been great to see just the technology changes they're making as a company. Again, making the procedures much more outpatient, much less invasive, etc. So healthcare is changing. [00:18:23.7]
Zach Chandler:	But one thing has not changed. If you have an emergency, you need to get there right now. And that's one of the biggest needs that we hear. I don't care if it's in this community or anywhere else in the nation, when you have growing communities you get to that point of "If I have a heart attack, if something happens to me, something happens in a car wreck, something happens out there, how do I get healthcare quick and fast?" And we all know, we all drive through the traffic going up and down I-40. I did it tonight, as you can imagine. You know, how long does it take you to get there? To get those critical services when you need it right then and there? So we started looking around the country a few years back at these called "Free Standing Emergency Departments." You see them elsewhere all over the country. I'll make a point of that here in just a moment.
Zach Chandler:	But you see here a rendering of one that could be literally coming right here. And we are working towards that CON approval. That we want to see the exact architectural designs and looks of it all. I anticipate that they will be a little bit different. This is one that we just had recently designed with Earl Swensen. But this is the floor layout plan that we have committed to, and turned in to the State that will be heard at the CON hearing. It's a 10-bed emergency room. If you've never been in one, let me tell you, we ran around the country and went several cities touring through these. Going through towns just like Arlington, Tennessee, and seeing these Free Standing Emergency Departments. There's two different types of them. I want to be clear on that. I don't know who all's familiar with these or not. A lot of folks aren't. They're just not so much here in Tennessee right now. There's ones that are independent. I am not a fan of those. I don't think they're healthy. I consider those more or less an urgent care with an ER sign on the front. What I'm talking about is one linked with a hospital. It's part of the license of the hospital. The regulations that we have to comply with are exactly the same as you're in the hospital, into a major acute care facility. If you're inside of them, you would have no idea you're not at Baptist Memphis other than the size of it... just being not hallways and hallways and hallways of rooms.... a fewer number of rooms. But you could not tell you are not in a main ER anywhere in this country of a large acute care hospital.

Zach Chandler:	<p>Well, one of the things we do know, as I mentioned to you earlier, how healthcare is changing. Used to be, you came to an emergency department, and my goodness, 30% of patients would end up being admitted. Today, the number keeps going down and down and down. Nationally, we are running in between typically about 10% to 15% who come to the ER are even admitted. And that number is still declining. And what we're finding is we are able to treat and discharge those patients home. When you see there are about 50% to 85% of main EDs, for Freestanding EDs it's about 95% of patients are discharged home. One of the things I like about them more than anything is how much faster they are. It's a smaller community footprint. You don't have these huge wait times. That is one of the most frustrating things, working in healthcare, is when you see twenty and thirty ambulances lined up outside your door, and you're trying to get folks through. And you have people backed out of the waiting room. When I look at the Memphis market, we've spent much of this winter, RegionalOne Health has spent much of this winter where folks are on diversion. You can't even get the ambulances in. People are waiting four hours, six hours, eight hours. To me that is wrong. That is absolutely wrong. I'll use a comment I did to the State. I hope it was ok, but I did this, but I've made of point of just saying, you know, here we're pitching a fit on the news about time and how long it takes you to get through the airport screening? And we're pitching a fit about it being 30 minutes in Chicago, but yet, somebody can wait with an emergency for an hour or two hours. That is wrong to me. Absolutely wrong. One of the things I love about Free Standing Emergency Departments is they run literally more than about half the time. When you look at Door-to-Doctor time, it is typically about ten minutes. In many, in fact, almost all of them that we went through, that is the case in what you saw. You walk in the door, you're immediately being treated. It's not these huge wait lines. And that makes a huge difference in patient care and outcomes, I absolutely believe. We also saw customer satisfaction. Up, typically, all of them are running up in the top 10% in the nation. Customer satisfaction. People are happy and well pleased. [00:23:14.5] [He has some equipment malfunction here.] I may have you push a button. [battery failure?] That may be what it is. ... That'll work. ...[00:23:37.9]</p>
Zach Chandler:	<p>And then, you just see the point here of average discharge time being so much faster. Typically in Free Standing Emergency Departments it's about 90 minutes vs. three hours in a normal ER. Go to the next one.</p>
Zach Chandler:	<p><u>Stemies and heart attacks.</u> One of the questions that we have often is people ask is if I have a heart attack or a stroke, can they take care of me and the answer is absolutely yes. In fact, we have to even comply, in fact they do across the country, comply with the same standards that you have in the main hospital. One of the things that a lot of folks don't realize unless you work in healthcare, if you're going to a cath lab or a surgery, they're calling in the physician, they're calling in the team, they're preparing the room, that takes about 20 or 30 minutes. What you end up doing in these type situations is you</p>

	<p>call, and they are prepping the room while you're transporting the person from here. If they end up having to be transported. Again, it's only about 5% or 10% of those patients who end up having to actually be transported. It's a very few. You end up seeing the exact same times. I had the lab. I worked in a hospital in Dallas, and I look at our Door-To-Balloon times for stemmie patients, for cardiac patients of the cath lab, and we were actually faster from a hospital that was about ten miles away than we were inside that home hospital. It was just amazing. Everybody was so on it, so focused, on the transport teams, and moving those patients through, that we were actually having shorter Door-To-Balloon times coming from an outside hospital than we did inside that one there. And so, amazing to see that.</p>
Zach Chandler:	<p>These are Free Standing Emergency Departments in pink that you see, growing. There are about 400 to 500 -- 400 crossing over to 500 -- of them around the country. The state has been working to approve criteria. That is something that we have worked a tremendous amount on. I appreciate Monica's help, and Art and others with the State, of getting these brought into Tennessee because they are a new concept. And the State has just approved guidelines of the criteria for having Free Standing Emergency Departments in our State. But all _____ what you see is, they are a lot more cost effective to build. Excellent, the exact same quality, much less congestion, much faster, and you can get them out into the communities, and have that access to emergency care right here in a community like this.</p>
Zach Chandler:	<p>But we don't plan to just stop at the Free Standing Emergency Department. And that is something I am proud of. This is a partnership and Dr. Coopwood and Monica Wharton are here with us tonight, both with RegionalOne Health. Dr. Coopwood is the CEO of RegionalOne Health. And this is unique. Some folks might wonder, well, why in the world is Baptist partnering together with RegionalOne Health on this? We haven't seen health systems typically in the Memphis metropolitan area do this before. But I will tell you this. One, we've built a high, high level of respect. For them, that are the leadership of an organization, the trauma center that they have, the burn center that they have, the specialty services that relate to the NICU and so forth. We feel like that there is a real high benefit when you put together Baptist and RegionalOne Health, you literally have every service available out there and the top in-services in our community. We feel like that that is really a plus. Plus, we feel like it helps the county. We look at just Shelby County, and it having ownership of RegionalOne Health, we feel like it's a benefit to the overall county itself of having them involved in this, too. So again, as we think about a Free Standing Emergency Department, I'm going to share with you one other unique piece of this. And, I'm hopeful that you all are appreciative of this, that I really sincerely welcome your feedback on these points. [00:27:13.8]</p>
Zach Chandler:	<p>We want to do something we really haven't seen done well, or done in the country. And we are out looking all over the country right now, trying to find</p>

	<p>someone who has really, really done this exceptionally well. And that is this. When I think about y'all's plans for a town, you know, it used to be you saw shopping centers that were large, large, large places. You parked and you walked, and worked your way inside and et cetera. You know what I'm talking about. But it's changed. People's preferences have changed. Everybody in this room probably has their own opinions as to what you like. I can say I love being able, I love going to a town square, I like walking in stores that are unique stores, that is, just, I like that. I like being able to walk through a shopping center and community with the kids and family and just be a great place to just enjoy relaxing in the evening.</p>
Zach Chandler:	<p>And when we think about that, how is healthcare changing? We're seeing healthcare in the past, it was you had to come into the large, large facility. We're seeing healthcare starting to change to learn from how retail is. It has become incorporated into a community. And so what you see here is a site plan that we've been working on for about two years now. But understanding, obviously, that has to go on for the city. But I want to share with you kind of what our, what's in our heads, what we're really interested in is what is in your minds and heads.</p>
Zach Chandler:	<p>As we think about this property, you'll see here a blue area, and then gray areas. And one of the things really unique is we have again about 85 acres. Baptist-Memphis sits on 25 acres. And that the Memphis Hospital, and the Women's Hospital and the Children's Hospital. We don't need necessarily 83 or 85 acres to develop on. And so, what our thought is, could we come together and kind of also helping the community provide more and more support with the community and plan of the leadership of the community and incorporate retail, entertainment, food, and hospitality? How could hotels play into this? How could stores tie into this? How could you really start to have a site here? And I will tell you, we have had a lot of contact by retailers already interested because of the visibility there on the highway. That's very, very important to them.</p>
Zach Chandler:	<p>Likewise, as we go north up Airline Road, the plans to expand that road are very important. But you kind of have a site there that, and I hope I'm not stepping on toes to say this, but almost a gateway coming into Arlington. It's a focal point that you're proud of. And so what we end up envisioning is literally, how do we develop a healthcare that blends in and ties in with retail? Where people are out walking. And going to stores and so forth and restaurants but at the same point in time, have that same experience to go over to another building. It may be a Free Standing Emergency Department. But we believe it's going to go past that. At the ED we see physician offices being built. We see outpatient imaging centers being developed. We see surgery centers being developed. We believe there's going to be a full hospital here one day. And that's going to take time as the community continues to grow, but we would do so. As the community keeps growing, we would keep growing, too. We've got the land there to be able to do</p>

	that. Do it phase by phase by phase. And so that's really what we see as a great way to kind of develop, soon as the community gets that point and support it that we're building that next step, and that next step, and that next step. Now, when we look out at Arlington, not just today, but thinking about 20 years out from now, 30 years out from now, Arlington is going to be a large community. But we want to develop it the right way. And we applaud your support and vision. [00:31:14.3]
Zach Chandler:	I'll wrap up with just a couple of other points here. When we think about some bridges going across to the Loosahatchie Trailhead, how could we do something very nice from a landscaping standpoint, tying in to that trailhead, make it a point that people stop and maybe get out and go to a restaurant right there. We want it to be a very healthy environment in our mind. But again, a place where you see kind of a whole lifestyle that fits with the image and vision that you have for the town of Arlington.
Zach Chandler:	So that is what we wanted to share with you tonight. Again, the blue area we have listed, as far as the Baptist campus itself, and then you see retail. Very important though, will be traffic signal there on, at W.E. Harris Road, and then also, something we would also like to be able to work with TDOT for. And that is, you see some access points where that Number 2s are, to be able to have access points. It may take extending the ramp further back and working with TDOT. We have seen this done when we have looked at other cities that have dealt with these type of developments. That gives you a lot more access there coming in and out, more entrance and egress points for those particular sites and then, too, we've got a right for the property to the north to be able to have access from our property. That's something that was written into the documents and contracts, to be able to have access up to Milton Wilson Road. So again, kind of our vision. But, we wanted to share that with you all. It's an honor to be able to present to you tonight. We want to open it up for questions. [00:32:48.8]
Keith Norman:	Thank you, Zach. I'm a Baptist pastor, so I keep time in my head. So, you just have to forgive me for that. Two additional members of our team have come in on tonight also with their media relations department, <u>Kimmie Ball</u> , and <u>Kimberly Alexander</u> . So if there are people who have questions from media afterwards, we would direct to them as well. Of course, we'd like to hear all questions and then all members of the team will respond.
Moderator:	Mr. Lamar?
Mr. Lamar:	Would you talk about the staffing of the facility you're building and how, it is going to be two doctors and three nurses? Is it 24/7? Tell us about the staffing that you will have in this ER.
Zach Chandler	Well, we staff based upon ratios as far as the volume of patients themselves. What we are projecting to see, just right out of the gate, _____ (inaudible) don't

	remember the number of doctors, they would be there at a time, sometimes depends on time of day. Evening times are the busiest in ERs. Morning time, you may see one physician, evening time maybe two physicians, ultimately overall, I believe it was ...thirty.. 35, and I can break those out. We're looking first year at 8.2 RNs, 3.5 Respiratory therapists, and medical assistants, and then it goes down the list, but we'll look in our projection for the first year and full-time equivalent for 35.
Zach Chandler:	What I would say, jobwise, typically you see in healthcare about \$60K to \$80K per job. In this particular situation, we're starting off with about 32 staff members and we will see that grow and grow. It will be over \$2 million per year in salaries. I will tell you that there will be a day when there will be a hundred employees, there'll be 150 employees, there'll be 200 employees here. I would be surprised if that doesn't happen.
Moderator:	I got Mr. & Mrs. Thompson.
Thompson:	I can go next, man, I have got quite a few.
Moderator:	Take them all!
Thompson:	Maybe I'll cover something someone else intends on asking. So, first of all thank you for sharing with us as it relates to vision. It would certainly always look to have partnerships with anybody that's doing any kind of development, right, so that's good to hear. I guess what I'm kind of curious about is, you've kind of certainly given us something to think about a reason why we would throw our support your way, but what are you going to tell the State? What is your pitch to them? Why do you deserve to get the certificate over St. Francis? That's what I'm curious to hear.
Zach Chandler:	That's, you know, a great question, and then in consideration of the field wind, we'll be there for a few hours, to be able to explain. But I would state this. One, the Baptist brand, and what we stand for from a quality, from access to every single type of service, RegionalOne Health is part of that too. And from trauma at Little League, any healthcare need that we're able to take care of. So having access to that, and not just locally, but telemedicine and other things that are tied in with our whole systems, our two health systems together. Secondly, I would tell you this. It's not a commitment to just a Free Standing Emergency Department. I mean we bought 85 acres for a reason. We believe in the vision that the day that if this community keeps growing, you'll see the development past an ED. It has to. It's going to have physician offices, it's going to have surgeries, it's going to have a full hospital here one day.
Thompson:	And they take that into consideration as well?
Zach Chandler:	Absolutely, and you know, we share it too, and I would say this. Having your

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	support. Having, understanding too, they not only look at healthcare, but economic development of healthcare. And so how that develops in a community, supporting a community is very important to them. That these two projects, they work hand in hand together and grow.
Thompson:	And you had touched on, I had written down before you touched on it, we're looking at, regarding the partnership with RegionalOne , and so, I wrote down there, would that potentially help as it relates to that certificate, and you know, it sounds like maybe it would. So.
Zach Chandler:	Yes, that partnership will definitely help. But another issue that is important to the presentation that we will make in Nashville is the fact that we currently have a number of patients in the Arlington area that come to our hospital. And so, by having a Free Standing Emergency Department here in this community, it will not only help us better improve our already good turn-around rate at our main hospital in Memphis, but it will bring the service closer to you here in Arlington.
Moderator:	That makes sense. Thank you for that. ...
Keith Norman:	Dr. Coopwood is here from RegionalOne.
Moderator:	Ok. Absolutely.
Zach Chandler:	So, and we're proud of the partnership with Baptist. We feel that we're bringing two organizations with great reputations together to be able to deliver high quality emergency services, Free Standing Emergency Departments. I cannot tell you that that will be a deciding factor in Nashville, but we think it is a great asset to be able to bring to bear to this proposal.
___:	Sure, sure. Thank you. The new hospital in Crittenden, which I think that rendering you showed is actually Crittenden, right?
Zach Chandler:	That is the Crittenden Hospital, that's exactly right.
___:	We'll maybe get something similar to that, right?
Zach Chandler:	Absolutely.
___:	Does the construction of that hospital impact your timeline with what you're trying to do here at all?
Zach Chandler:	Great question, but it does not impact it one single bit.
___:	OK.
Zach:	Can I follow up on that question?

___:	Yes, absolutely, sure.
___:	I know I've had the luxury of speaking with Mr. Norman about this myself, and Ms. Durant. But address the Board on the timeline of a CON, so they are completely understanding of the timeline.
___:	Zach, Zach, <i>[multiple voices speaking suddenly]</i> . There are two experts.
Keith Norman:	The attorney needs to come up and speak on that one.
Attorney:	Once the CON is approved and subject to it not being appealed, then our current timeline for completion of the project is 18 months. It would be up and operational by 2018. If it is appealed, then that will potentially add about four months to that, probably.
___:	Those have to be done by State, isn't that? Isn't that done by State also, you have to do it by a certain time?
Attorney:	Yes, sir. That's ___, and then it expires. [00:39:25.6] Yes.
___:	And if you were to NOT get the particular certificate, how would that impact your future plans for Arlington?
Attorney:	We would probably all be looking for jobs here in Arlington. That's the first step.
___:	I asked that, I guess, a little bit of a precursor to that was that, you know, things have been relatively quiet from your side for a while. We've seen different concepts, discussions about different things, the previous mayor saw something, I think even Mayor Wissman saw something different. Now it all seems to be kind of suddenly connected to this, and so I'm just curious, if this doesn't happen, I mean I know you can't define, you know, give any "definites" about what's going to happen in the future. I'm just kind of curious what might, how you might approach this differently if you don't, aren't able to do that.
Attorney:	From my perspective, the reality is, we have been working strategically on these plans for a number of years. In addition to the retail development and commercial development that you saw was, or is, the medical development. We were working with the State to come up with guidelines to help fast forward the medical development piece as we worked on the site.
___:	You're right, yes, I'm aware of the changes that occurred recently, ok, yes.
Attorney:	And what, with those guidelines coming out in January, then, we were confronting with the issue with St. Francis, in my opinion, jumping the gun, filing, we had to go and file, very candidly, before we had a chance to come

	and sit down and talk with many of you about what we were planning to do with those 85 acres. So, they are interwoven. But, the biggest part of it, short-term, right now, is what happens in Nashville, to which comes back to another point I wanted to make today. And that is, in Nashville, the Health Service Development Agency will make a choice. Their choice can be to support St. Francis, deny Baptist, to support Baptist, deny St. Francis, OR, deny both. And this comment is not designed to place undue pressure on you as a legislative body, but you will and can play an important role. [00:42:06.4]
Moderator:	We've got about five minutes left. 'Cause that clock's a couple minutes faster.
___:	I'm going to ask one more, and you can answer it quickly, and that is, how do you believe that your approval would be impacted by the fact that you have to pass by Bartlett-St. Francis to get to Walnut Grove if somebody had to go for a higher degree of care? [00:42:29.8] Will it have no impact, in your opinion?
Attorney:	It will not. No, because that was part of the process in working out the guidelines, that I would be sending to the lawyer here. Because we will have an ambulance stationed at that facility, just as they will have an ambulance stationed at that facility, ...
___:	Alright, well that's a real knock down.
(Alderman)	Very quick. The other property you own up across from the Shell that used to be, gas station? What are your plans for it?
___:	We do not
(Alderman)	Please.
(Alderman)	We do not... The one right there at the intersection?
(Alderman)	Where right there toward the gas
___:	We have not made our plans with that, but we would welcome
(Alderman)	You would "welcome"?... I would suggest working on that.
(Alderman)	And the change in the law, if I'm not mistaken, that had to do with one of the reasons why you all tried to get one in Lakeland last year. Now you can move further north, is that correct?
___:	It's actually even encouraged us to do so. And in fact, even there was a point in time that the previous leadership of even St. Francis even encouraged.
(Alderman)	And very quickly, to let you know that if you want to help the town of Arlington grow, we're looking for somebody to help us put sewer under the

	Interstate to the south side.
Moderator:	Anyone else up here? Mr. Harmon.
Harmon:	On the level of care, are we looking more at a two, or three, as far as level of care? I mean what, One's is regional, (inaudible) Lot of times, some facilities are not much more than minor meds, so that, the level of care...
:	Literally, it will be just like an emergency department at Baptist.
Harmon:	Transporting between this ER and the big hospital is you do the ambulances, and I also see that you have the wing capability.
:	There is also a helipad.
:	Right. The helipad. That's the wing pad. [00:44:32.0] I like seeing that.
:	Yes, sir?
Lamar:	What impact would this facility have on the Western Sea Veterans Home which would be out here in Arlington?
:	It would allow it to be at a service point quicker, services for those who need it.
:	At the Veterans' Home?
:	Yes, sir.
:	...(Inaudible) more access to physicians right here.
Moderator:	Mr. Brooks?
Mr. Brooks:	The only question I have was, the ambulance that you mentioned, is that Baptist owned? Baptist operated?
:	We would end up probably contracting with that.
Mr. Brooks: It would be something for y'all would take care of.
:	We'll take care of that.
:	For the transport from inner facility.
:	That's going to impact more people.
:	Mr. McKinney?

:	... trying to pull somebody out.
Moderator:	I'm sorry, I'm trying to rush and trying to be respectful, and we're trying to stay on time.
:	You're talking about from the ED to whatever location they've got.
:(Overlapping conversation)...
:	...It's not going to be on the back of the taxpayers to do that.
:	Correct.
Moderator:	Any other questions from this Board, cause here is where we are. We've got less than a minute left. From what Kathy and I have discussed, and of course the Board will have to discuss is that whatever decision will be made, if we side with one or the other, I would assume we would either do it at our April meeting, or call a special meeting, if need be, depending on how many questions still need to be answered. But, I would say at the earliest, the April meeting, if not later. I know you guys, just like St. Francis on the April 26 deadline, and we appreciate you all being here. It's hard.. We're not deliberating tonight, and we are being fair on everybody's time, so I guess, without objection from the board, I mean, even though we are not voting, if anybody has any questions, we will go through Ms. Durant, Ms. Durant will go through Mr. Norman?
Mr. Norman	That's correct.
Moderator:	We'll handle it in that manner. And if we see need to call another session or something, I guess you guys would be open to coming back and talking? Is that satisfactory with the Board at this time? Ms. Durant, you have anything you want to add at this time?
Ms. Durant:	No.
Keith Norman:	Mayor Wissman? Ms. Durant, thank you, you gave us your word that you would hear us and we appreciate it. Thank you.
Moderator:	We appreciate you all being here. Thank you for the information.
Keith Norman:	Thank you.
Moderator:	We have about fifteen minutes until St. Francis. [00:46:49.8]
	<i>BREAK, RECORDING CONTINUES RUNNING, BUT NO FORMAL</i>

	<p>continued partnership with the City of Arlington, our role in how we think this project fits well within your community. What we started talking about, and hopefully you heard earlier, what is a Free Standing Emergency Department? In February, the Governor signed criteria that will be used by the Certificate of Need agency to determine Free Standing Emergency Department application. And to find a facility that treats individuals for emergency care that is structurally separate from the hospital. It's open 24/7, 365 days a year. I do want to point out: A Free Standing Emergency Department in Tennessee has to be owned and operated as an outpatient department of a licensed hospital. So it gets into confusion sometimes if it has to be a department of a hospital. It cannot be a joint venture opportunity.</p>
Chris Locke:	<p>A little bit about us. St. Francis-Bartlett's mission is to give comfort and support to all whom it serves. We are about to hit our 13-year mark in June this year. 196 beds, full-service hospital. We have 33 emergency rooms, eight operating rooms, two cardiac cath labs, free-standing imaging center with all modalities, four urgent care centers that we operate around town. If you've seen the MedPosts and CareSpots, those are ours, too. And then we have our medical partners, physicians and our physician group, to which we have one of our St. Francis Medical partner practices here in Arlington. Some of our awards and distinctions, and what we're most proud of is safety score of a letter A. This is a grade letter developed by the group called <u>Leap Frog</u>. It came out of the insurance industry, which was looking at ways to score hospitals for safety. Twenty years ago, they determined that if the healthcare industry was working as the airline industry does, there would be planes crashing every day. So it was an effort to increase safety of hospitals. And now every hospital that applies to be part of Leap Frog submits criteria. We're at a score of an A, one of two hospitals in the Memphis area that is an A. The other hospital is down in Olive Branch in Mississippi, a Memphis facility. But, we have had for six consecutive periods been awarded this A. Nobody else in the Memphis market has that score. [1:05:51.4]</p>
Chris Locke:	<p>We were given the guidelines goal plus heart failure facility awarded in the spring of 2016. Fully joint commission accredited. Accredited chest pain, and we just went through our re-accreditation process that we've been accredited since 2013. And we're a certified primary stroke center since 2014. Very important in emergency services. 01:06:14.0</p>
Chris Locke:	<p>The project that we propose is a \$12.8 Million Free Standing Emergency Department at Arlington on three and a half acres. I will mention that this is the fifth Free Standing Emergency Department that the Southeast Region of Tenet has developed. So there is some history behind that. I'll show you some things that we've done. We're a for-profit entity, so this will produce tax-revenue for Arlington. The scope includes this slightly over 15,000 square foot facility with a helipad, 12 exam rooms, triage, an additional trauma room, full diagnostics and CT, ultrasound and x-ray. All the support services as you would find that would have to be required for a Free Standing Emergency</p>

	Department, lab, blood bank, pharmacy, so forth. 01:06:59
Chris Locke:	This is our site. We're on the southeast corner of Airline and I-40. Obviously, the other half is right across I-40 from us, so literally within a nine-iron shot of, probably, both locations. And it is just, right next to the visitors' center that is right on I-40.
Chris Locke:	Going down a little bit further, this is the proposed site layout. This is the northbound entrance ramp onto I-40, Airline Road, and this is how it layout. This is the existing visiting center. Still available land around this site. And this area has been reserved for water retention. Going down even further, this is the actual floor plan we have designed. This is the entrance where walk-in patients would arrive in this waiting area. Triage and registration occurs back here. The clinical space here has 12 rooms with a trauma room up top, a centralized nursing station with visibility to all the rooms. The ambulance entrance has direct visibility to the nursing station and is located directly next to the trauma room, and then our diagnostic support, CT, x-ray, ultrasound, lab, all right behind here. Built with a very robust ambulance entrance, decontamination. We have an EMS break room so it is conducive, where we can have our EMS crews around the clock with us. It has space for when they are not making trips onsite. 01:08:42.0
Chris Locke:	This is a 3-D rendering of the building. And you'll see in a minute, we've designed, we've built structures like this. This is from the front entrance view. Next shot shows you both the front entrance and the ambulance entrance. High-finished glass which matches nicely with the visitors center. And that allows for a lot of natural light. This is a facility that is in Birmingham, Alabama that Joe Baugh's group has designed, built and is up and operational, in operation for 14-15 months now. And as you can see, the same finishes, same design, high finish grade of facility. I want to point the things. This is the interior of that facility. It has high vaulted ceilings, lots of glass that bring a lot of natural light. This is the waiting room. If you ask people in this facility, in this visitors facility, what's one of the things they would change, the waiting room is too big. Do you see... brand new because this model is so efficient, rarely are they having patients wait. They are usually registering and bringing them right to the back, a very efficient model. This facility, Joe, I think has 12 or 15 rooms?
Joe Baugh: 12.	
Chris Locke:	So the same size structure. Well, Phil, we have a full-service trauma room available. This is a high-end head wall with multiple blood gases. Although they're not as big nowadays, these are the latest (aurora?) lights. Now, with LED technology that stuff is much smaller, much brighter. We have everything we need to take care of any major trauma that might hit this facility, whether it's a walk-in or an ambulance. This is a view of the patient rooms, and the nurses' stations, you can see once again. We have allowed a lot of

	<p>natural light in here. Our staff are here night and day. We're trying to make this environment not just conducive for patients, but also attractive to our staff. The rooms are designed as well, with these transom windows that allow for natural light to come into the room. Even the art work is intentional in that many times a patient can't remember, "I'm in Room 10," but "I'm in the room with the water lily right outside the door." 01:11:03.3</p>
Chris Locke:	<p>So why, should you want to support St. Francis Bartlett in this venture? We're going to demonstrate to you today that St. Francis-Bartlett is already a part of the Arlington community. It's the hospital of choice currently for emergency services in the community. The free standing ED is going to add great continuity of care and ease of access to emergency room services as an extension of our hospital which is the closest hospital from the location, nine miles away. And we have extensive expertise in resources in design and development and operation of Free Standing Emergency Departments. And I'm going to let Samuel Pieh address a few things. 01:11:39.0</p>
Samuel Pieh:	<p>Good evening. I would like to go on record to say that I regret giving my 11 year old daughter a cell phone. But with that being said, I do want to say that watching and being a part of Arlington grow over the past couple of years has been just an awesome experience. Seeing the Chamber itself grown from when the Hanna's were working out of the their home to help businesses get established and learn more about the town, to having to move the Chamber events three times because it outgrew each area. It demonstrates the fact that people <u>want</u> to be in Arlington. Businesses <u>want</u> to be in Arlington. It's not by accident that businesses and people in this great town. So, with that being said [Am I going too far?], 20% of our workforce actually live in Arlington. That's critical. That's huge. Any business owner would want their employees to actually reside in the town where they provide those services. And there's a reason for that. The reason for that is because there's an internal, intrinsic factor that says, "Hey, you know, I'm working with Ms. Smith today. She lives down the street from me." Or "I'm working with Mr. Smith, and I know that his son plays soccer with my daughter." Those things, for the most part, really drive and help facilitate a community to make sure that it's going to be successful. And that's one thing that we've already established within our hospital corporation.</p>
Samuel Pieh:	<p>One thing that I would really like to highlight, especially back when the municipal schools kind of all separated out, there's two things that was always stated. That was kind of the mantra. And that was safety and schools. Arlington already has the Sheriff Substation here in the back. So of course, the next thing is that we're going to make sure that our schools are highly successful. And thanks to a lot of people in this room, that quite frankly, Arlington has one of the best schools in the State. And I'm not saying that just to say it. I mean, you could actually pull up the data, and it will verify that. And the fact that you have a lot of people coming in to Arlington because of</p>

	<p>that. When we were reaching out to try to support the schools, during, putting together the inaugural Arlington 5K, the inaugural one, back before Wright Medical became Microport, back before Kroger really started participating, back before Rich Products got involved with the town, they were residents initially. However, those great companies are now active, and have been active, a lot more lately.</p>
Samuel Pieh:	<p>But St. Francis was there from the beginning. They've really helped galvanize and put together some of these events that ultimately supported the town. They frequently support Taste of Arlington. Currently, even within the Arlington Senior Citizens, there's a lot of activities that we don't necessarily announce that we do, but we provide support to help residents of this community. And most importantly, I'm going to go ahead and step out on a limb and say I'm betting that a lot of the people you probably saw tonight, you never have met before. Within, I can say, across the board here, from every CEO from the very first day that St. Francis was opened up, back to Kem Mullens, that gentleman there with the funny looking head, he was the first CEO for St. Francis Bartlett, he has been here. And I know you all recognize that location. That was where we first started having a lot of our events. And of course, you got Will Lowes there back when he had a few more hairs on his head, a little less gray. And you got the guy there, and I purposely did not wear blue, because I noticed I always wear blue. But that's where we all got started and started interacting. Kem was always accessible to everyone, and so was Jeremy Clark, and so was Chris. And so as far as a frequent relationship already being established, if there is ever an issue or there is ever an ask, for the most part, you typically would have seen us if we're looking to participate, if we're looking to engage, and not necessarily asking for a relationship.</p>
Samuel Pieh:	<p>So with that being said, not too long ago, I recall us hosting a grand opening. And that was one of the times that I think we got the most amount of information. We were able to find out about that piece of property down here. It's like, all right, what's going on? You know, are we actually going to get a hospital? What's going to take place? And it was very, kind of, tongue in cheek. But even that facility here did not last too long. Fortunately, St. Francis stepped in and actually took up that space and continued providing some additional care for the residents within this area. [01:16:55.9]</p>
Samuel Pieh:	<p>Now on to the Free Standing ED. Currently, in Shelby County, there are absolutely zero, zero free standing emergency departments, that have been approved by the State. And the reason for that is because, they're not handing them out. I mean you have to earn and demonstrate a need for that community. And that is not an easy feat. I mean, you by far have to provide a stellar case, and within that case provide and go through all the checklists that demonstrate there is a clear need for that service. With that being said, currently there have been two requests for a free standing</p>

	<p>emergency department. Both were denied. The reasons why they were denied are far and wide. But we truly believe that ours will be the first to be approved because (a) we have a track record working with a group already that have already established five free standing emergency departments, and then I'll let Chris talk about some other metrics to kind of specify how critical it is, the fact that St. Francis-Bartlett, the proximity to it, the level of support. If there is, if your Mom is having a heart attack or some type of major event, quite frankly, you're going to have to drive past St. Francis to get to any other location. And quite frankly, if it was my family member, I would want them to get the best care as quickly as possible. 01:18:20.1</p>
Samuel Pieh:	<p>So, we filed our first free standing emergency department certificate of need back in 2017 which was what, all of two months ago? January 13. I'm trying to filter what I say because I really want to say it eloquently, but all I can do is, everybody, here. I have got three daughters, and so every time I explain something I am so used to using my three daughters. It's kind of like when my oldest, Hannah, gets something, and it's like you know it's great, and then my youngest daughter, Mary, she just wants to go and play with just at that moment, just because Hannah has it. And then as soon as she gets it, you know, she plays with it, and then after about a few minutes she doesn't play with it anymore. This kind of feels like that situation with me personally. But I want to stay on top of it.</p>
Samuel Pieh:	<p>But for the most part, they filed their Certificate of Need literally a few days after we did. [01:19:28] If you actually look, and get a chance to look at the entire package of their filing, you'll find that a lot of the items in there are very similar to the other two that they proposed. And for the most part, you'll notice that there was a minor change, and that would be from Lakeland to Arlington. And if, if they wanted, I mean they've had this property for over a decade, not we, but this property here has been here for over a decade. We could have easily, I used to work for Baptist, by the way, a long time ago, so I got to get that out of my system. Baptist used to have that property for over a decade at this point. So if it was going to be their first, their second choice, they had two opportunities to already do so. And now with this third one, this is their first chance to actually say, "Hey, we actually want to build shingles here." The question that I would propose is, with the CON request, it is not exclusively a Baptist request. It is the joint venture with RegionalOne. And so you have to kind of speculate along the lines of what is this going to look like, what is the operations going to look like, what is the staffing going to look like. At the end of the day, you know, who's going to be running the show when it comes to those operations? Which doctors are going to be staffing? Which nurses are going to be staffed? when it comes time to actually generate revenue and actually produce and grow, what will it look like? And so you have to ask the question, why can't they do this alone?</p>
Samuel Pieh:	<p>As of today there is no Certificate of Need that has been filed to build a</p>

	<p>hospital in Arlington. And one thing that is clearly defined within the process is that in order to successfully gain a CON, in order to provide services, owning property does not guarantee that or even make that a step towards securing a CON. Typically, healthcare follows population. Healthcare does not stimulate population growth. You can see that in Germantown, in Collierville. For both towns it wasn't until Germantown hit a certain threshold before you saw the explosion of professional services. In Collierville, Methodist did not ____ expansion, and then you did not see that explosion until after they hit a certain threshold. So the CON process, when they went through it, was extremely stringent. It's not an easy feat. So quite frankly, when it's time to actually apply for a CON, at that point in time, that's when you know that someone's serious about doing so. So, I guess I will pass this back on to Chris at this point. Thank you guys. 01:22:54.4</p>
Chris Locke:	<p>One of the things we think is very important is that right now Arlington's residents overwhelmingly are choosing St. Francis Hospital-Bartlett for emergency room service. This is publicly reported data. Of all emergency room visits in the Arlington zip code, you can see 43% of the visits are going to St. Francis-Bartlett. Only 12% are going to Baptist. You have several other hospitals _____ Baptist. Tipton you have probably Methodist North in here. But we have the majority share right now of visits coming to our hospital. Realize again, we're 9 miles away. Geography plays a factor in that as well. Versus 18 miles to Baptist. When you're talking about emergency services, realize we are talking about two sites that are right here, whether it on the north or the south side of I-40. Natural traffic patterns. So if you have a heart attack and you come in this facility and you are in an active heart attack, you're going to need to be transferred to a facility that has a cardiac cath lab. We have one, so does Baptist. But by natural traffic flow, you're going to go right by this St. Francis-Bartlett in order to get to Baptist. And realize too, if you've ever driven this, and at certain times of the day, you know the traffic patterns can be very tricky. And you're talking nine miles away, from this distance, versus, 18 miles travelling time. Realize, too, where this location is that we planned first, we were the first ones to file, is a natural continuation of the service there that we serve. There is no other hospital closer than our own. You're not filing us in the backyard of Methodist North, or even over on Walnut Grove near Baptist, we file it in an area where we're serving a large part or portion of the population. It's a natural continuation of our services. And it's an area where we can meet the need.</p>
Chris Locke:	<p>So, to conclude, developing a Free Standing Emergency Department nine miles away expands access to high quality, patient-friendly emergency care services close to home. It enhances care for outlying communities that have lack of emergency services and assist with the orderly development of healthcare. A very common phrase that the CON agency looks for: the orderly development of healthcare. We're the provider of choice for emergency services. 43% of the Arlington community. We have a strong</p>

	<p>track record of investments in this community, both in what we've done in sponsorships, what we've done in participation. We have our own, we took over a clinic that was pretty much abandoned by Baptist. We put in a nurse practitioner which is growing. In February, we had one of our strongest months so far. And that Nurse Practitioner is on vacation next week, and we're putting a physician out here for five days as a test. And we hope someday to get a physician in your community. We have talked to residents in the community about the need. They say if we only had a physician here five days a week in this community. A primary care physician. That's what we need. So we're trying to work towards that. And finally, I think we demonstrated tonight, we have the resources and extensive experience has shown you what we've done in other designs in Free Standing Emergency Departments. We've built these things. We also know what we want to change. We know what works well. We have the expertise to put together a successful project. 01:46:30</p>
Chris Locke:	<p>So just to kind of conclude, and a couple of points I want to draw out. One, I want to thank you for your time tonight to talk about our project. We want to earn your support. And we hope we have demonstrated tonight that we should earn your support with what we've done. We hope that you know our intentions tonight. We've been pretty clear before we even posted, and by law, for a Certificate of Need, we must post notice in the paper that we intend to file a certificate of need. We came and spoke to the Mayor and your City Manager. We wanted to make it known what we intended to do. I don't think the other party has been very clear on what's going on. And so, we're trying to be good partners in the community and make sure that we're communicating well with you, and we've worked hard to try to grow with you. We just asked that you don't be fooled by a large piece of land. Having a large piece of land doesn't necessarily mean that the hospital will be built. And actually, acquiring land may be the easiest process in developing a hospital. And who is to say that if there's a need for a hospital in this community, that we wouldn't want to be the ones to build a hospital as well. And we've done that throughout our company. Bartlett is an example, 13 years ago when it was built. And so, we want to be your partner long term. Free Standing Emergency Department may be the first step. But it doesn't necessarily mean that a hospital is going to be built just because somebody owns 80 acres of land. So, I want to thank you again. I want to thank you for your time, and I want to open it up for any questions that you may have for you or my team.</p>
	<p>[01:27:46.8 END OF PRESENTATION; Q&A STARTS]</p>
Moderator:	<p>Thank you Mr. Locke. I appreciate it, and I'm going to minimize my questions because...</p>
Moderator:	<p>As with the last group, myself and Ms. Durant, make sure that our questions get addressed. But I will ask the same question I asked the last group. Can</p>

	you explain the time line of the CON just to make sure that the Board understands what's been discussed for our timeline, from approval on, whoever is approved.
Chris Locke:	Yes, and there is this slight difference in we have a timeline in our application. I'm going to be very brief. The CON hearing will be April 26 in Nashville. Depending on the outcome of that, if there is one party awarded, if we are awarded a CON, we would be prepared to start the process of construction, and I believe, our timeframe has us opening in October of 2018. Is that correct, Joe?
Joe Baugh:	Yes.
Chris Locke:	So, now that depends if there would be any appeals by another party. Sometimes these things get deferred based on the CON hearings. But if everything were to go well and we were to be awarded CON, we would prepared to be open in October 2018.
Moderator:	Questions from the Board. Mr. Thompson?
Thompson:	You kind of just addressed what I had written down as my first question, and that was, of course, Baptist clearly stated that they have all this land, and you know, long term future growth and all that. And I'm going to answer my own question because you sort of did.
Chris Locke:	Sure.
Thompson:	I was going to ask you, you know, you don't have that. What else could you do beyond building a Free Standing Emergency Department, when you said a moment ago that it would not be out of the realm of possibility to suggest that you could do other things. So how does, if you have a Free Standing Emergency Department, and that would be all you could do with that property, and then you did say later on you want to build a hospital, or do something bigger. Is there any impact if I already have a _____ that would squash or minimize that opportunity to put something bigger or something else?
Chris Locke:	No, I don't think so,
Thompson:	As far as the State is concerned, approvals, and all that stuff?
Chris Locke:	Well, there's nothing from the State approval that would prevent us from putting more primary care practices in the community.
Thompson:	Oh, yeah. I just mean a hospital, I guess.
Chris Locke:	Well, I guess what is important is you have to have a good physician base to get a hospital going. That's not here yet. But we're working towards that. You know, we're a step ahead in that we've got a clinic open here.

	<p>We have a nurse practitioner, but we have the abilities to place physicians in the community. We also have physician practices in Fayette County over in Oakland which is not as far to come here as it is to come to our facility in Bartlett. You know, and so, which facility has to reach out further, and does it prevent us from doing a hospital? No. Would it delay it? I don't know. You know, it depends on now, this is a good litmus test as you dip your toe in the water to see what you can be developed in the community. But if the community starts to grow rapidly, and there's an economic feasibility and you can meet the Certificate of Need criteria for a hospital, why wouldn't you want to do it?</p>
Thompson:	<p>Yes, the State wouldn't say, well you've already got a Free Standing Emergency Department here, we don't need a hospital, you wouldn't build a hospital without an ER in it, right, or would you? I mean...</p>
Chris Locke:	<p>Well, if you want a full-service hospital, you would want an ER. An ER would be a main component. When critical access hospitals have closed. Critical access hospitals is like what was out in Somerville. The biggest loss there was emergency services in that community. And you know, emergency services, ER services, your more critical patients are going to move to a higher level of care into the larger communities, but the emergency services is the primary need. It's the primary function. Does that answer your question?</p>
Thompson:	<p>Yes, well. Because really, it's a general question. It would apply to you, Baptist, whomever, that you said, later on let's build a bigger hospital, or if the State would say, No sorry, you've already got a Free Standing Emergency Department in Arlington. They don't need a hospital.</p>
Chris Locke:	<p>You know, I just don't feel comfortable answering that because, it's hard to judge how the CON board is going to look at that.</p>
Thompson:	<p>Yes, oh, I understand that.</p>
Chris Locke:	<p>If somebody tries to put a hospital in here, you're probably going to see opposition from outside of these two parties. You're probably going to see Methodist oppose that, and who knows what elements they might bring out?</p>
Thompson:	<p>Yeah, that's fair. I just didn't know if there was some, you know, history, right, around that.</p>
Chris Locke:	<p>I think what happened in Bartlett, years and years ago, was a ground swell of community support for a hospital.</p>
Thompson:	<p>Right. It is safe to assume that the information you just presented to us in essentially trying to earn our support, are you going to make a similar presentation to the State? What is your presentation to the State? What are you going to tell them why they should approve your CON versus Baptist's?</p>

Chris Locke:	Very much, the elements are part of our presentation. We will get into more technical things. We will get into capacity of our current ER. And as the growth pattern goes, what that might look like, and how this might be an offload of capacity, which helps us. And a couple of other things, you know, that, if you read our application, you can see some of those points jump out. It's much more technical. I think it, too, that now there's quality data that are part of the CON process, so we will have to present our quality data versus theirs. And look at those elements. A lot of that quality data is going to look our efficiency in through-put time, which is very important in emergency services.
Thompson:	I've read through the CON standards and criteria. It's only fifteen pages. It wasn't that bad, but there's a lot of stuff there, so I'm sure ...
Chris Locke:	Then, you get in there, you start looking at supplementals, and questions and answers. Especially the supplemental questions that are asked by the Agency toward each applicant. It gives you a better idea of how the Agency views those applications.
Thompson:	All right, but it almost would, when we talk about coverage area, you talk about information you're going to provide is really going to be similar to what they would. It's just more trying to justify why an ED should be put here to begin with.
Chris Locke:	One of the differences, too, is if you look at service area. Our service area truly extends from this community. It goes out further north over into the Millington area. Their service area goes past my hospital and grabs zip codes down in the Cordova market. And is it realistic for the patient from Cordova to drive north, past my hospital to a Free Standing Emergency Department up in Arlington.
Thompson:	Right. I've got three of the final questions?
Moderator:	Can we come ...I'll come back to you in just a second. Mr. McKee?
McKee:	Two questions, just quick questions. If you are awarded, you know, I listened to you say, if you are awarded, if you are awarded, but does St. Francis not have a 5, 10, 20 year plan if they are awarded?
Chris Locke:	If we are awarded the CON?
McKee:	Yes. That's right. You don't have to share it with us, but we never heard you say that you all have a plan here 5, 10, 20 years, if you get awarded.
Chris Locke:	Well, right now, in our 5 year scope, this is one of the major initiatives we have right now. Realize this thing will get started in 2018, but as it comes

	online and builds volume, it's going to take a good three or four years for it to get up and going. To solidify, and as well, part of it is to expand our primary care services and our physician practices in the Arlington community, into Fayette County, into the outlying areas. We look at it as our target market what we call the Northeast corridor, which is kind of that area from what, 51 south to 64 and this chunk of the county. So we're working to expand services up in Munford and Atoka, all those areas as well.
Moderator:	Does that answer your question, Mr. McKee? Do you have another one, or
McKee:	Just the last one. It was up on the board that it has been denied two times in the last... when and where was that?
Chris Locke:	Baptist filed two applications back 2016, correct?
McKee	That was the one in Lakeland, I think.
Chris Locke:	Lakeland, and the other one was filed off of Quince Road. It's at a building owned by RegionalOne at Quince and 385. And both those applications were heard in front of the Certificate of Need Agency and they were both denied. Do you know why?
Chris Locke:	Let me remember. I know the Lakeland one was based off of, they didn't see necessarily the need for it. It was given that that one was four miles from our hospital. Straight shot down 64. And while there was arguments that, you know, traffic patterns and so forth, and as they looked at market share, it didn't make logical sense for the orderly development of healthcare, to put a Free Standing Emergency Department that close to that facility. The other facility was 3.2 miles from our campus that is on Park in Memphis, and so a similar situation. That one had a lot more confusion as we were trying to get into the relationship between RegionalOne and Baptist. As we said earlier a department of a hospital cannot be joint venture. You have to look and study their joint venture arrangement. To us, it's confusing. We're not sure of the intent. We're not sure how it's going to work. I think there's some strong questions that have to be answered.
Moderator:	Thank you. Mr. Harmon.
Harmon:	The total land if you're looking over there is three and one-half acres?
Chris Locke:	It is.
Harmon:	A lot of questions that I, had just come up with, you did a good job as far as explaining why they.... I like the idea of the helipad, which is critical if you're talking about a really true ER. Transportation from the ER here to the big hospital. Now would that be, as far as you all having an ambulance on site in

	transportation?
Chris Locke:	Yes. We have commitments from two ambulance companies to support us right now.
Harmon:	Ok. And...
Chris Locke:	Let me talk a little bit about that if I could, for a minute. When you come into the Free Standing Emergency Department and say, you're having a heart attack. We're going to go into the cath lab team at our hospital. We're going to go from that emergency room straight to the cath lab. You're not going to go and stop in our ER, and have to have that process to go through. We're going to let the cath lab team be ready to go, so that as long as you hit the door. And in cardiac cases, it's always about what we call door-to-balloon time, where that we can inflate a balloon in your artery, we perfuse your heart, we don't want your tissue to die, or your heart muscles to die. So, you know, we have a process in place that will take you directly to our facilities. If you've got to go to the OR, if you've got to go to the cath lab, and whatever it may be.
Harmon:	It appears that you're going to offer at least a little to...
Chris Locke:	I don't know how to be classified. I don't want to go on the record saying that, but I
Harmon:	Well,
Chris Locke:	It is the hot thing. Anything can walk in the door. And what's interesting to us is that, for example, heart attacks, we see more come in by foot than by ambulance, which is scary. But you know that potential could easily be out in this community. And we need to be ready to go to take care of anything.
Harmon:	But the level Two is what I'm looking at. You could actually have a surgeon there, or
Chris Locke:	We will have a surgeon in our hospital. We won't necessarily have a surgeon in the ER.
Harmon:	Ok. One that you could actually send here pretty quick if the
Moderator:	Mr. Lamar?
Lamar:	Two questions. Number one: of course you're going to have the West Tennessee Veterans' Home, and what impact is that going to have the ER?
Chris Locke:	I think it really benefits the Veterans' Home by having a ER close by. You know if there is an urgent need, we're right here. You're not going to have to go very far. And I think that benefits the Home.

Lamar:	And my second question is about staffing. How many people you have there, and can you meet the needs of all these things that happen in emergency? How do you staff the thing 24/7?
Chris Locke:	The FTE count is I believe 28 in our application, correct? Yeah. FTE is what we call Full-Time Equivalence. The majority of that is going to be clinical staff. We're going to have to have pharmacists, we're going to have to have respiratory, in addition we're going to have to have lab and lab technicians, in addition to the nursing staff that we're going to have to have on site.
Lamar:	How many people would that be?
Chris Locke:	28 people.
Lamar:	28.
Moderator:	Any more questions, Mr. Lamar? Back to Mr. Thompson.
Thompson:	Yes, you can answer my final ones pretty quickly.
Moderator:	We've got about five minutes left, so.
Thompson:	Yes. These are going to be pretty short. If I were to say to you that Baptist said that it didn't matter that as far as the State is concerned, that it didn't matter that you're driving past St. Francis-Bartlett to get to Walnut Grove, that it wouldn't affect their approval. How would you respond to that?
Chris Locke:	I don't think that's the orderly development of healthcare services, in that, you know, time is tissue in healthcare. If you're having a stroke, if you're having a heart attack... if you're having a stroke, you need to get into a primary stroke service. If you talk to EMS personnel. Maybe they are independent and know nothing about the situation here. And they come across somebody that's having a stroke, you want to get to a facility that has a primary stroke protocol that can initiate TPN. That's a drug that can resolve clot situations. And I'm looking to my clinicians to see if I'm speaking to that, right? But you want to get to the nearest facility that has those services immediately. Going past a facility and driving twice as far, I don't know if that makes logical sense.
Thompson	In other words you think that's a significant advantage.
Chris Locke:	I do.
Thompson	Going back 1:42:26 to something you said earlier. You said something about, or that a Certificate of Need or that a Free Standing Emergency Department cannot be a joint venture. Were you referring to Baptist and RegionalOne? And do you think there's a law or?

Chris Locke:	Well, it's twofold. One is a requirement. The Rules and Regulations in the State of Tennessee are that it must be a department of a hospital. Medicare and CMS say that a department of a hospital cannot be a joint venture. And that is the element of question. Now, realize that the CON Board and the State licensing agency is not Medicare, but that is a question. If you cannot be a Medicare certified facility, that is a major chunk of reimbursement, a major patient population, and that's an element of question.
Thompson	Ok.
Moderator:	We only have about three minutes left. Mr. McKee I think had a question.
McKee	I'll just ask a yes or no. Do you intend to apply for a PILOT?
Chris Locke:	I would be a not very astute businessman to say that we wouldn't want to explore it. We have not explored it, given...
McKee	Ok. Good enough. Good enough. Thank you.
Chris Locke:	Can I make one more comment to that?
Moderator:	We've got two and a half minutes left.
Chris Locke:	My only comment to that is, you know, I'm not so savvy with PILOTs in your community, but ultimately, this thing is here for the long haul. Those tax abatements over time dissolve and we will be paying taxes. We've already calculated what we think the tax revenue is for this facility on an annual basis.
Moderator:	Any other questions or comments? Mr. _____?
_____	You had kind of danced around a little bit with future opportunities in the Arlington area. This potentially could be, which is, we all know there could be gain and a lot if it has to do with population and things like that, but having a Free Standing Emergency Department nine miles from the current hospital, would that really just encourage all the other, if you were going to look at another hospital to be built, to be built further out? And this be the middle ground? Or do you think that nine miles away is really far enough away to have a second facility like that?
Chris Locke:	Well, I believe the distance between our facility and our sister facility is nine miles. Is that correct? Right around nine, ten miles. So, that, you realize the way that the community is developing, it might be a difference. The same thing could apply here. What I can tell you is, this is the focal point. I'd want to put up a hospital where that is. But if it develops north of here or some other location, we certainly wouldn't. I don't want to dance around that question, and I'm trying to be fair.

	(inaudible)
Chris Locke:	It is very, it is very, I guess the point I want to drive home is, if there is a need for a hospital, why wouldn't I who have served this community want to have an interest in doing that, too.
Moderator:	Well, Mr. Locke, we are out of time. We appreciate you and your staff being here.
Chris Locke:	Thank you.
Moderator:	As you do know, we are not deliberating tonight. We'll have the Board compile questions with Ms. Durant. She'll will get in touch with someone, either yourself or someone from your staff, that there are some additional questions from the Board. Like I said this is just saying it off the cuff tonight. But the earlier I think if we were to deliberate on our decision would be at our April meeting. If not, another special meeting that I guess we could or could not ask one or both candidates to come back to, but we will be in contact with you all to let you know. But I'm sure there will be some follow-up questions from staff and from the Board and we just appreciate your time being here.
Chris Locke:	Thank you. We'll be available to answer.
Moderator:	Ok. Thank you. Thank you, everyone, for being here.

END OF WORK SESSION